



# **Bay Area Clean Water Agencies**

*Leading the Way to Protect Our Bay*

*A Joint Powers Public Agency*

*P.O. Box 24055, MS 702*

*Oakland, California 94623*

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January 26, 2007

Ms. Tracie Billington  
Department of Water Resources  
Division of Planning and Assistance  
P.O. Box 942836  
Sacramento CA 94236-0001

Ms. Shahla Farahnak  
State Water Resources Control Board  
Division of Financial Assistance  
1001 "I" Street, 16th Floor  
Sacramento, CA 95814

Dear Ms. Billington and Farahnak:

## **Comments on Proposition 50, Chapter 8 Recommended Grant Awards Integrated Regional Water Management (IRWM) Program**

The Bay Area Clean Water Agencies (BACWA) would like to provide comments on the proposal to award additional grants under this program as presented at the public workshop in Sacramento on January 23, 2007. BACWA is a regional, public Joint Powers Authority representing over 6 million people in the nine San Francisco Bay Area counties through our 54 member agencies. BACWA is an applicant for the IRWM Step 2 grant and BACWA's proposal contributes to the grant program objectives of protecting communities from drought, protecting and improving water quality, and reducing dependence on imported water.

BACWA fully supports the proposal to make awards of additional grant funds to existing Step 2 applicants right now. These applicants participated in a rigorous two step evaluation process and presented the State with a deep pool of projects to achieve the objectives of the grant program. Proposition 84, approved by voters in November 2006, provides another \$1 billion for the IRWM Program, five times more than what would have been available in a second Proposition 50 IRWM grant cycle. Consequently, a decision to award more funds now, without further delay, would not harm those who did not compete in Step 2 of the process. Further, as pointed out in the January 23<sup>rd</sup> presentation the State will leverage a large amount of local resources. The Step 2 proposal from BACWA proposed over \$335,000,000 in matching.

As a result of global and national economic growth and competition, the cost of construction material continues to escalate rapidly. The Proposition 50 funding should be invested as quickly as possible by the State to maximize the value of the bond funds in the face of these escalating construction costs in California. The same holds true for the Proposition 84 IRWM funding, the State administrative agencies should implement the program in a streamlined manner to realize on the ground benefits quickly and to get the maximum value for the public funds.

With regard to the specific allocation of funding proposed for the seven remaining Northern California applications, which DWR has proposed as equal for six applicants, BACWA has recommendations that would still result in substantial grants to each applicant while incorporating additional equitable factors:

1. Since “leveraging local resources” was listed as a reason to fund more proposals in the January 23, 2007 presentation the amount of matching should be a consideration. The Bay Area by far has the largest match and reflects the value of the projects to be funded.
2. The Sacramento Valley and the Central Coast would receive two awards under the equal approach with the Bay Area receiving one even though the Bay Area consolidated four Step 1 proposals at DWR’s urging. Further, IRWM grants were already awarded in the Sacramento Valley and Central Coast while the Bay Area region does not have an award.

For these reasons BACWA recommends the grant awards as indicated in the table, which reflects an allocation close to 75% equally divided plus 25% by population. Notably, voter approved Proposition 84 uses a comparable methodology (25% equally, 75% by population) for the IRWM allocations to each hydrologic region.

Step 2 Applicant	Grant Request	Proposed Match	Hydrologic Region	Recommended Grant Award
Tahoe Sierra	\$25,514,287	\$6,980,004	Lahotan	\$10,000,000
Upper Feather River	\$9,949,897	\$4,016,689	Sac Valley	\$7,500,000
East Contra Costa	\$25,000,000	\$133,803,353	S.J. Valley	\$12,500,000
Bay Area	\$25,000,000	\$335,500,769	Bay Area	\$20,000,000
Salinas Valley	\$22,832,000	\$56,661,318	Central Coast	\$11,000,000
Sac Valley – Butte Co	\$24,860,250	\$4,957,833	Sac Valley	\$10,000,000
North. Santa Cruz Co.	\$25,000,000	\$68,605,392	Central Coast	\$11,000,000
<b>Total</b>	\$158,156,434	\$610,525,358		\$82,000,000

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Ms. Shahla Farahnak  
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If you have any questions regarding these comments please contact me at (510) 547-1174. Thank you for your consideration and the hard work of you and your staff in implementing this innovative grant program.

Sincerely,



Michele Pla  
Executive Director